

Current Health Care Crisis
Governor's first health care listening session
June 24, 2002 At UWM 1:30 P.M.

As a coalition builder, and small business owner, I see that we must take time to remember that we are all part of same community. No one should fall through the cracks. When we all pitch in, the burden does not fall on just a few.

I hope all of us can work together, in a positive and constructive way to resolve, what is becoming a health care crisis. My concern is that the cost of health care is skyrocketing out of control. (way beyond the normal cost of living increase).

I had a 35% increase in my health insurance last year and may be asked to shoulder more double digit costs again. **The fairly strong base of employer-sponsored health insurance is starting to break down.** As health care costs increase, businesses, may drastically cut the health plans they provide, pass more costs and responsibility on to their employees, or not provide any health insurance at all. These high costs make many businesses, especially small and medium size businesses, less competitive, as we become more involved in the global economy.

Instead of total comprehensive insurance, employers could provide coverage that would cover only the most extra ordinary (high deductible) costs, and then perhaps, place a **defined amount of money in each employee's medical savings account** to spend on routine care. Beyond that amount, and up to the deductible, the employee would pay out of their own pocket. The employee must be **legally held** to spend the money on **medical related expenses only**, not to pay off a car, etc.

Individual consumers should **spend their own money out of a vehicle such as a medical savings account**. If they knew how much health care really costs, and had to pay for it out of their own pockets, the consumer would start to rein in spending and begin to press health care providers to lower their prices.

For example: If a patient with a MSA learns that a nonemergency MRI is \$1,200.00 at the hospital or can get the same high quality MRI at an independent imaging center for \$800.00 and chooses the imaging center in collaboration with the doctor, therefore saving \$400.00. The patient then becomes a better shopper for that health care procedue. **We all should be aware of cost differentials like this.**

The money saved could be the employee's money to keep in their medical savings account and travel with them from one job to the next. That money could be their's upon retirement, like a pension; that would be an incentive to save. I'm sure there could be a number of ways the employer and employee could work out various plans.

When faced with the situation that you will be spending and managing your own money, instead of assuming that someone else is paying for your health care needs, you become a more active and vigilant consumer, just like every other aspect of our lives, and the purchases we make.

You will begin to shop and compare price and quality. As in other commodities, we tend to look for the best products at the best prices.

Copays have involved the consumer to a small degree, but beyond that, the consumer generally has no idea how much health care really costs, **therefore does not care what the true costs are.**

No one seems to agree on a fool proof way to fix the system. All around the country there is **not** a lack of good ideas and good people, **it is a lack of will.** We are afraid to make the commitment because it is a big change to **entrenched systems and big money.**

The health care industry needs the discipline that consumer involvement and the market place can provide. Rather than taking health care completely away from the market place, as in the case of universal health care, we must keep some of the market forces at play.

As consumers, in a free and open market, and proud of the all the information we can gain from the internet, why do we have no idea how much health care really costs?

If you buy a home, a car, or other big ticket items, spending thousands of dollars, you have to know the total price and all the details of that purchase. It's good banking, good lending, and good purchasing.

Why do we throw our good financial common sense to the wind when it comes to health care? Do we feel we do not have to pay attention, someone else will take care if it? Maybe we should look closer and begin to question, is our financial investment in the system being managed the most effective way and for our benefit? Are we even being included to moderate the excesses?

We, in the nonmedical business community must demand true, accurate, and complete reporting of adjusted and discounted pricing, quality, and data, from the health insurance, hospital and other medical industries, so we can compare one to the other, and will know what we are buying! **We are the customers!**

What other industry can hide so much from the public, then bill 10%, 15%, 20% and more above the current cost of living, yet we still pay it, seemingly without question, - until now.

This is a good time to plan ahead by establishing a **nonbaised, not for profit** resource of cost and quality information for businesses and individuals to use to compare price and quality.

There could be a data rich, simplified, consumer friendly, easy to find, web site established by the **Office of the Commissioner of Insurance** or the **Department of Health and Family Services** which could be a “**One Stop Shopping**” site for businesses and individual consumers to use. This could also be facilitated by an independent, **nonbaised**, government agency, much like Pennsylvania has established, with their Pennsylvania Health Care Cost Containment Council (PHC4).

The missing link is the involvement of the consumer in the health care system. By giving consumers a **vested interest** and **responsibility**, along with the **full disclosure of true and complete data** by the health care industry, consumers and businesses can shop on their own or in collaboration with their health care professionals, armed with knowledge and full information. **The consumer involvement will help to moderate the one-sided control** of the current system. All parties must participate to let the market place **function for mutual benefit**. It's a good check and balance, returning some controls to an out of balance system.

We all do recognize other important cost drivers, such as:

- The aging and vulnerable populations,
- Increasing population,
- The uninsured, often with no place to go, (or sometimes just the easiest and most convenient place to go), the hospital emergency rooms,
- Low Medicare/Medicaid reimbursements,
- Advances in expensive treatments and technology,
- New medications,
- Uncontrolled law suits,
- Unfunded government mandates,
- Excessive pharmaceutical charges, advertising, and uncontrolled sales perks,
- Stock holder profits,
- Massive hospital building and advertising costs, and

Most importantly: (it's all of us)

***** The Consumer demand to want the best, spare no expense, someone else will pay for it.** Those who have the fully paid for health care plans, do not often care what any of it costs, therefore promoting apathy and over use.

We can not easily fix all the above problems, however we must make a strong effort to try what we can, **to get the consumer involved** .

Our health care system, as we know it could **melt down and soon become unaffordable**. Even universal health care will eventually not work, because it is seen as free, everyone

will want to use it, the demand is infinite. **Taxes will rise dramatically, will we tolerate that?** The result of getting what we asked for (**the best modern medicine can provide**) will create a situation beyond society's ability to pay for it, therefore diminishing returns and limited supply.

The big question is, who is going to be responsible to pay for what we want out of modern medicine? The interest of **true medical care** and **human need**, on one hand and the interest of **the big business of medicine** and **profits** on the other, are becoming less compatible.

We generally tend to look to government to help with such a large problem. Well, **it can, up to a point**. It can set up a helpful environment, could provide a **very basic** health care safety net for all our vulnerable populations, provide more clinics for routine and preventative care, and set up a **"One Stop Shopping"** information web site. **Yet it also takes businesses, trade labor, government workers, teachers, and the average consumer to take joint financial responsibility.** *As I stated in the beginning; when we all pitch in the burden does not fall on just a few.*

We may, eventually have to accept less than what we currently have, yet still get good care. We, as a society, are starting to feel the pain of the ever increasing costs. Millions of people **can not even buy into the health care system**, which in turn costs us so much more. The uninsured, do eventually get cared for by often using expensive hospital emergency room services.

All of us, as consumers in a free market, and the government combined, have the power and talent to do something now. **Armed with true and accurate information** and the **willingness** to do something as a coalition, can bring others into the loop, and make a difference.

That brings us **squarely back** to involving the working consumer, spending their own money, to balance out a system that has, so far, taken them out of the loop, hidden true costs, and insulated them from involvement in their medical care cost.